

Welcome to the distance learning programme from Paul Bangs. I hope that you get as much out of the material as others who have attended one of my training courses or motivational talks. If you would like to know more about the programmes or would like to discuss your training or mentoring needs, please email or phone with your enquiry.

Strategic Planning

“The ability to think and plan strategically is perhaps the most important single skill of the effective executive”.

Some years back Porsche Motor Company appointed a new chairman. He spent the first three months asking anybody and everybody concerned with Porsche “what are we in the business of?” he asked his designers, office staff, key directors, shop floor workers, dealers and customers. Invariably they all came up with the same answer, “designing and building high powered sports cars”

At the end of three months he amazed people when he stated that “that is not the answer, we are in the entertainment business; people buy our cars for the entertainment value it gives our customers. Now go and build me a car that gives our customers the maximum entertainment value” As a result the Porsche Motor Company grew significantly.

What business are you in, what is your purpose, why do people buy from you? Unless you know what your purpose is then you will never reach your full potential.

Any business, no matter how large or small, needs to plan and plan regularly. There are many questions you need to be asking and knowing what business you are really in is one of them but there are three vital questions that need to be asked on a regular basis:

1. Where are we now? Are we achieving our purpose, if not why not?
2. Where do we want to be and when?
3. What are the various routes to get us there and what is the best route for us right now?

Where are you right now in your business? Are you satisfied with your progress so far, do you think there is room for improvement and if so, what improvements need to be made?

It is at this stage that one of the most powerful tools in business can be used; the **SWOT** analysis. **SWOT** stands for **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats

Bring together a team of people who are involved in your business. If you are a small company, even a “one man band” you can still create a small team of relevant people; your husband, wife or partner, maybe other relatives your close friends, some of your customers or suppliers. If you are a larger company you can bring together a team including management, staff, shop floor workers and some of the list above including selected customers and suppliers. The key is to have others involved who can help you shape your business.

Once assembled, using a flip-chart or large piece of paper list all of your **strengths**. List as many as possible and they might include customer service, product range, team spirit, being

flexible, price range etc. then under the heading list all of your **weaknesses**; communication, customer service, lack of product range etc. again you need to list as many as possible.

Now move onto all of the potential **opportunities** you may have which might include, adding new lines or services, improving customer service, reducing costs, entering new markets etc and finally do the same with identifying potential **threats** which might include long term illness, major recession, weakening sterling rates etc. again list as many in each section as you can.

Having built as big as list as possible, ask each person what they believe is your number one strength then number two and three. List the top three. Do the same exercise with weaknesses, opportunities and threats. If you are learning to juggle, keeping three balls in the air is hard enough without having to add other balls as well. It is the same with dealing with your key strengths and weaknesses etc. don't try to tackle too many at the same time.

Brain storming

Having identified your top three in each section, ask your team what needs to be done to make the most of your strengths as it is these that are going to drive your business forward? This exercise is called **brain storming** as you are asking all of the participants to brain storm all of their ideas. It is vital at this stage to ask the team to get outside of there normal mode of thinking; you want as many ideas as possible, sometimes what seems to be the most crazy of ideas turns out to be the most profitable.

Then do the same exercise with weaknesses; it is your top three weaknesses that will hold your progress back. Look at all of the opportunities but having identified the top three, **brain storm** how you are going to make the most of the opportunities. Finally do the same with threats, risk assess the threats and ask what contingency plans you can put into place to overcome the threats. For instance if the biggest threat is long term illness of a key person then do you consider a sickness insurance policy?

Back to the first of the key three questions, **where are we now?** Once you have identified your current situation by means of the SWOT analysis and brain stormed all of the ideas, you can start to consider the question **where do we want to be and when?** You are now entering the realms of **Goal Setting** which we will cover more extensively in a future programme.

One of the keys to running a successful business is to plan and plan on paper. You know where you are now but where do you want to be in six months, one year, two years time? What would you like your business to look like; do you want to be in the same position as you are today or do want to progress? Unless you have a vision for your future, instead of making progress you will start to go backwards as others around you are progressing.

Get a clear vision of where you want to be, write it down as a written goal has a 90 times more chance of being achieved. Once written you can then ask the third question; **what are the various routes to get us there and what is the best route for us right now?**

If you were asked to drive to Japan you would be crazy setting off without first knowing why are you going and is it possible to drive there? You would then need to ask do I have a vehicle capable of getting me there, what are the various routes, and what is the best route, what visa's will I need, how much and what type of currency will I need?

There would be many questions that would need to be answered before setting out. You would need to plan meticulously. Your business is a journey, the scenery and conditions are continually changing and you need to change with them. When you started your business you probably prepared a business plan, when did you last look at it, when did you last update it? That plan was the route to the journey you were undertaking. If you were driving to Japan don't you think that you would be continually referring to the route you had mapped out? It is the same with your business.

Major corporations continually plan and refer to that plan. They continually ask the three key questions, they know their strengths, weaknesses, the opportunities they face and they have risk assessed the threats and put in contingency plans. Every large corporation normally started with one or two people with a dream, an idea which they then worked on, continually improving, planning growing until their business reached heights that you and I can only dream of.

Be extra-ordinary

It is ordinary people like you and I who do extra-ordinary things in life, it is not extra-ordinary people. All great leaders or business people started out in life with the same basic potential. Sure some may have had a better education or had better breaks in life but in the main, most of those that make it to the top do so because they have the right attitude. They have a burning desire, they work hard, they don't allow negative people to drag them down to their level and they continually examine where they are and where they want to be.

As they say, "today is the first day of the rest of your life" what are you going to do with it, how are you going to plan your future, where are you going and how will you get there? You decide your future, don't leave it to others or chance.

Reflections – Discussion – Questions

. At this point, take some time out and ask yourself the following

What business are you in? People buy your products or services for their reasons not yours.

Where are we now? Are you achieving your purpose, if not why not?

Where do we want to be and when? What is your goal or vision for the future? What restrictions do you have? What change needs to be made?

What are the various routes to get us there and what is the best route for us right now? What resources: people, skills, finances etc will you need? Who can help you and what advantages do you have?

SWOT Analysis

Strengths

Weaknesses

Opportunities

Threats

Establish your strengths, weaknesses, opportunities and threats, **Brain Storm** the answers then plan how you will build on your top three strengths, overcome your top three weaknesses, make the most of your top three opportunities and what contingency plan will you have to overcome potential threats.

People don't plan to fail, they fail to plan which can then lead to failure.

I now want to raise other key questions for you to consider. Firstly:

“What are you paid to do?”

You might think this is a strange question, but take a moment to consider it. What is your value to your business, what are you doing that others could do? If your rate is worth £25 per hour are you doing work where you could pay someone else £8 per hour to do it? If so you are wasting a prime resource your value to your company.

An excellent exercise is to write out what you believe your job description should be and then ask others in your organisation to write out what they believe your job description should be. Then write out the job descriptions of your key staff and ask them to write out what they think their job description should be. Often you will find that you are doing things that they feel they can do and you can release many functions allowing you to spend more time planning and growing the company.

Are you encouraging people to use their Imagination?

- * Try new ways of doing things; experiment
- * Ask, "What has become a tradition in your organisation?"
- * How can you improve the ways you do things?
- * Do you or your staff fear or embrace change?

We are in a world which is changing faster than at any time in history, it is essential to keep pace with change. Are you in a rut? The only difference between a rut and a grave is the depth

The essential ingredients of strategic planning are:

- * Plan to spend time on it, more time thinking, less time doing.
- * Create a one page vision (not mission) statement
- * Set specific goals for your finances. *Monthly financial planning and cash flows*
- * Set specific goals for business development projects
- * Set specific milestone goals
- * Create an effective organizational structure
- * Meet with and train your management team regularly

Generally we spend too little time planning and thinking. It is possible to save hours of extra work and a great deal of frustration by spending regular time planning. If I don't know where I am going, any route will get me there but what has the cost in time and money been? I must set goals that are meaningful to my business and I must ensure that I have an organizational structure in place to achieve those goals. This will require that I meet with my managers and staff regularly and involve them; it should be a team effort.

To develop a strategy:

- * Assess opportunities
- * Assess trends and likely developments
- * Examine strengths and weaknesses within the organisation
- * Choose the right options after brain storming
- * Monitor progress
- * Look at your finances regularly and set performance goals

Business as life is full of opportunities but the key is deciding which are the right ones and what can be done to make the most of them. In marketing trends are changing all the time and new developments are taking place. If we look at the construction industry, the use of UPVC, timber frame, synthetic materials, new designs and changing legislation have altered the industry considerably over the last fifty years. It is vital that those involved in the industry keep up to pace with the changes and trends.

A further key is to monitor progress, what is working and what is not working. Keeping good records helps; where is your business coming from, where are your problems materializing, and of course, financial management. It is vital that you keep good financial records and look at them regularly.

Vision Statement

Many companies will have a mission statement but as importantly you need a vision statement. The vision statement sets out your vision for your future. There are a few simple rules which help. Keep it brief, there is no need to write an essay. Consult your staff, they must buy into it and they will often give you some good ideas and then once written, distribute it to all concerned, talk about it and refer to it regularly; keep it visible.

The statement might include:

- * The service you aim to provide
- * How you might be seen by your customers
- * How you will treat your staff
- * How you will treat your suppliers
- * How you might grow your market share
- * Be competitive without reducing service
- * Your financial goals

Never plan to be mediocre, plan to continually grow.

All businesses can grow if the conditions are right. It is your responsibility to ensure that you create the right conditions. How do you do this?

- * Believe that growth can be achieved. What you believe you can achieve
- * Commit yourself to make it happen.
- * Persistence to overcome setbacks and obstacles
- * Enthusiasm to help motivate people

Never ever give up, do not consider failure, think big and make it happen Take stock

The great managers of top soccer or rugby teams, when they start to under perform, take stock and ask vital questions. We should do exactly the same; how well are we performing, what is going right for us and what needs to be improved. The questions you need to ask are:

- * Performance – are you performing to the highest possible standard?
- * Staff – do you have the right staff to do the job?
- * Training – are your staff properly trained?
- * Involving – do you involve your staff as much as you should?
- * Finance – are you performing to your budgets?
- * Customer – are they getting value for money from you?
- * Service – are you providing the best possible service?
- * Assess – are there opportunities you are not taking?
- * Assess – can you improve standards, reduce costs?

The answers to the above questions need to be asked regularly. It is back to where are we now, where do we want to be and what is the best route for us right now? Strategic planning is all about examining where you are and what need to be improved. It is all about **continuous improvement**

Facing problems

No business grows without growing pains. Never see problems as problems see them as situations, challenges or opportunities. We never learn anything new when everything is going well for us; it is by facing up to the challenges that we develop. Ask some key questions and then act decisively

- * What is the challenge, define it
- * What possible solutions are there, list as many as possible
- * What is the best solution for us right now
- * What lessons can we learn from this

- * Involve others by **brain storming**
- * Obtain as many ideas as possible from a cross section of people
- * Agree together on the best ideas
- * Discuss together how to follow through the ideas
- * Decide who in the team will follow through the ideas, how and when they will report back and the expected outcome

Once completed, ask if it worked, if not, why not and learn from the experience.

It is vital to realise that there is greater wisdom from crowds than there is from individuals. The more people who are asked to consider a challenge the more chance there is of finding the right answer. If you were to try to guess how many jelly beans there were in a jar you might be lucky and get within 10% of the answer but if you were to ask 100 people and then average their answers, they will be within 5% of the correct answer 95% of the time.

EIGHT STEPS TO PROBLEM SOLVING

There is a simple eight step method for systematic problem solving. By solving problems in an orderly way, you can dramatically increase the power of your thinking.

PROCEED WITH A POSITIVE ATTITUDE

First, approach the problem with the expectant attitude that there is a logical practical solution just waiting to be found. Be relaxed, calm, confident and clear in your mind.

Second, change your language from negative to positive. Instead of the word “problem,” use the word “situation,” problem is a negative word while situation is a neutral word. “We have an interesting situation,” is better than, “We have a problem.”

DEFINE THE SITUATION CLEARLY

The third step in systematic problem-solving is to define the situation clearly, in writing. “Exactly what is the situation?” Then ask, “What else is the situation?” Sometimes stating the problem in different words makes it much easier to solve.

Fully 50% of situations can be resolved by accurate definition.

IDENTIFY CAUSES AND SOLUTIONS

Step number four is to ask “What are all the possible causes of this situation?” Failure to identify the causes or reasons for the situation often causes you to have to solve it again and again. Fully 25% or more of situations can be effectively dealt with by discovering the correct causes.

Step number five is to ask, “What are all the possible solutions?” Write out as many solutions or answers to the situation as possible before moving on. The quantity of possible solutions usually determines the quality of the solution chosen.

CLEAR DECISIONS ARE KEY

Step number six is to “Make a clear decision.” Usually any decision is better than none.

Step number seven is to “Assign clear responsibility for carrying out the decision and then set a deadline for completion and review.” Remember, a decision without a deadline is just a fruitless discussion.

Finally, step number eight is to follow-up, monitor the decision, compare actual results with expected results and then generate new solutions and new courses of action.

ACTION EXERCISES

Now, here are two ways you can apply this technique to think more creatively.

First, state the problem clearly, in writing, so that you know exactly what it is that you are trying to solve. Ask, “What else is the problem?”

Second, develop as many solutions as you possibly can, including doing nothing, before you make a decision. Quality of ideas is in direct proportion to the quantity that you generate.

Reflections – Discussion – Questions

What are you paid to do? Don't waste your prime resource

What should your job description be? Define it and stick to it

What should your key staff job descriptions be? Define and implement.

What could you do to encourage others to use their imagination? Involve others; get as many ideas as possible.

What do believe your key business strategies should be right now? Define, write out and plan of how you will achieve them

What is your vision statement? Write it down and distribute it. Make sure you involve others and get them to buy into it. Once published make it continually visible and ensure that all are living by the standards set.

Take stock. If you were to take stock of your business and its performance, how would you rate it and what changes do you feel need to be made?

Problems. What challenges are you facing right now, what are the potential solutions and what is the best solution?

One of the services I offer companies is a personalised "Strategic Planning" programme where I work with management and key people to create the right strategy and to help make it happen. If you feel that you might benefit from this service, phone or email me and we can arrange an initial meeting to discuss your needs.

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